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FISCAL IMPACT STATEMENT

LS 6121

BILL NUMBER: HB 1025

NOTE PREPARED: Nov 9, 2004

BILL AMENDED:

SUBJECT: Public Safety Protection Fees.

FIRST AUTHOR: Rep. Koch

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill authorizes a municipal corporation providing public safety protection to property owned by the Department of Natural Resources (DNR) to charge the DNR a fee.

Effective Date: July 1, 2005.

Explanation of State Expenditures: Officers of a municipal corporation may charge the DNR reasonable fees for the local provision of public safety protection to DNR property that is located within the municipal corporation. The bill provides that fees established are annually payable by the DNR. Fees must be extended to cover any additional property purchased by the DNR that is subsequently served by the municipal corporation. The fees must be paid annually before December 15 by the Treasurer of State on warrant of the Auditor of State after the municipal corporation submits an itemized bill to the DNR. The proposal does not specify a dedicated fund, so payment would be made from the General Fund and would be subject to an appropriation. The impact of this proposal is indeterminable and will depend on local actions and state appropriations.

If the local unit elects to use revenue for a particular year to reduce property taxes, the state's expense for property tax replacement credits (PTRC) would be reduced. PTRC is paid from the Property Tax Replacement Fund which is annually supplemented by the state General Fund. The specific impact would depend on local action.

Explanation of State Revenues:

Explanation of Local Expenditures: The officers of a municipal corporation may adopt an ordinance or a resolution to establish reasonable fees for providing public safety protection to property owned by the DNR that is located in the municipal corporation. After the introduction of an ordinance or a resolution establishing fees, but before its final adoption, the officers of the municipal corporation must hold a public hearing concerning the proposed fees. After the hearing, the officers may adopt the ordinance or resolution establishing the fees, either as originally introduced or as modified. The municipal corporation may change or readjust the fees in the same manner by which they were established.

The above provisions will increase administrative expenses for qualifying municipal corporations; however, the units affected should be able to absorb any additional expenses given their current budgets.

Explanation of Local Revenues: Fees may consist of a flat charge, a constant charge per square foot multiplied by the square footage of all improvements located on each lot and parcel of real property, and a flat charge multiplied by the acreage of each parcel of unimproved real property.

Fees must be deposited in the municipal corporation's general fund. Fee revenue may not be used to reduce the municipal corporation's maximum levy, but may be used to reduce the property tax levy of the municipal corporation for a particular year. Fees may also be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations. Fees are considered miscellaneous revenue.

The amount of revenue that will be generated by the proposal is indeterminable and will depend on local action taken by qualifying municipal corporations.

State Agencies Affected: Department of Natural Resources, Treasurer of State, and the Auditor of State.

Local Agencies Affected: Municipal corporations providing public safety protection to DNR property.

Information Sources:

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